Approved For Release 2004/03/17: CIA-RDP78S02149R000200150002-1

_	6 108	7	
1	43.10.	1 200	- 0
		#	20

Porguerd

25X1

North Victors, sconsmically devastated and disorganized by years of civil strife, full to the Communist bloc in mid-195h. Economic reconstruction and the maintenance of an expended military establishment were basediate prorequisites of a viable Viet minh regime. In their attainment, rehabilitation of the transport sector of the economy was recognized as essential and accorded highest priority. This paper attached to gauge the success of viet minh afforts to repair the damage sustained by the various means of distribution, and to indicate accompanying economic and strategic implications as they affect the internal recovery of North Victors and meighboring countries, both hostile and friendly.

Approved For Release 2004/03/17:	CIA-RDP78S02149R000200150002-1
----------------------------------	--------------------------------

1			
1			
1			
1			

25X1

Contents

Survey and Conclusions

- I. Transport Rehabilitation
 - A. Rail
 - B. Higheryo
 - C. Mater
 - D. Civil Air
- II. Prospects and Amplications
 - A. Egemeate
 - D. Strategie

Arrendizes

Appendix A. Cape in Intelligence

25X1

Man

North Vietnam Transportation Bonton

Transport Eshabilitation in Forth Victors - Progress and Laplications: Suggesty and Conclusions

French withdrawel was completely disorganized and severely desaged by years of civil strife. Nevertheless, during the hostilities it had provided the viet high with sufficient mobility, as well as the means of acquiring and distributing screly-needed military supplies from Communist China. Economic reconstruction and the preservation of an expanded military establishment, however, made ossential the immediate rebabilitation of transport facilities. Highest priority was given to the task. Chinase Communist largess compensated for limited material and technical resources of the Viet Hinh, whose main contribution has been the provision of masses of unskilled laborare, recruited by the thousands for real and highest construction. While Chinase Communist and constitutes an important propagands medium for the promotion of Communist influence in Asia.

Completion of reconstruction plans, overly solutions in most cases, has been impeded by the extensive damage sustained by rail and highest bridges.

Beveryheless, progress has been steady. Strategic rail and highest links with Communist China and the commenting road network of the Tonkin delta recisred primary amphasis, to facilitate the necessary and distribution of increasing material assistance from China. By the end of 1955 the main highest routes

^{*} The estimates and centlusions contained in this memorandum represent the best judgment of OFR as of 1 May 1956.

bad been largely restored to their preser condition and the principal rail commention to the north had been in operation for element a year. Moreover, overland trade commentions were considerably sugmented by sequisition of the port of Helphong in May 1955, which premitted direct foreign trade with countries other than Communicat China. As a result, the virtually complete economic dependence of North Vietness on its northern neighbor was reduced and overland transport familities were relieved of a growing traffic burden.

Plane for 1956 assure, with continued bloc assistance, further restoration of the essential rail and highest seturates of North Victure and the improvement of its important ocean terminals. Their fulfillment is especial not only to economic recovery and development, but also to provide mobility for Viet Mich military forces which since the cases-five have been expended, reorganised and recquipped with heavier and more modern weapons. Completion of planned transport rehabilitation, soreover, will enhance incommreably Viet Mich logistic capabilities to receive and distribute supplies from Chins to both the seventeenth parallel and the Northern Lection frontier, screen which the Viet Mich sponsored Pather Iso are struggling with the forces of constituted government. Consideration of the effectiveness of Viet Mich forces during the hostilities, with only a natural of trails and dilapidated roads, convex to illustrate the relative increase in logistic capability which has accompanied transport rehabilitation.

Chinese beneficence will not go unrewarded. Acquisition of Haiping, of growing economic importance to the Vict Minh, will also be of cancilorable

advantage to the Chinese in conjunction with removal of the rational link between

Tunen and North Vietness. Integration of the Sino-Vietnesses rational systems

will provide a valueble outlet through Maighong for Tunan's mineral resources,

thereby avoiding long internal truck and water haule to distant rail and sea

transchiftment points in Communist China.

L. Transport Rehabilitation

Restoration of the war-denseed transport system of North Vietness, essentially to economic recovery and mobility of an expended and addernised arry, was the primary task facing the Viet Minh upon essuaing control of the country in the fall of 195h. It was undertaken associately and with great urgancy. Continued beneficeness of Communist China, the course of sufficient area and to essure the Viet Minh military success during hostilities, provided the technical and material recourses lacking in N orth Vietness for economic rehabilitation.

Although original plans have not been entirely fulfilled, progress in restoring the transport sector of the economy has been steady. Typically, workers scalation progress and anterial savings drives were initiated ismediately, y and followed by a plethera of detailed assummenants exuding success. Soither savings in material per improvement in efficiency, regardless of moment, has been everlooked in the propagands so professely disseminated to illustrate the

benefits of committee.	fuch devotion to	progress, however	• tacpopy pro pean
of little solece to the under extremely difficult		pted pessants eng	eged in reconstruction

A. Bail

25X1

25X1

The rail system of North Tistans as originally constituted consisted of four meter-gauge lines rad/ating from the capital city of Nanot-two northward to the Chicago border at leckey and Nan Quan, one part to the major port of Nalphong, and another south slong the coast toward Enigon. With the exception of the line to Nalphong, which was operable when acquired by Viet Nich, the rail not was destroyed during the war. Reconstruction began is addictely.

Extensive Chicago Communist material and technical semistance 5/ was supplemented describedly by a ract program to collect undesaged rails, tips and rail fractionals. 6/ By the end of 1955 about 320 kilometers of track had been restored.

Consideration, as indicated by the fact that during 1955 only 80 kilometers of track was laid below Manci, on the coastal line between Van Dien and the textile center of Man Dinh. J Reconstruction of the railroad between Manci and the border at Man Juan to meet the Chinese rail line from Ping-Melang received issediate priority. This proved to be the most efficient means of sugmenting low-capacity trans-border roads which, elthough effectively used for military supply movements from Communist China during the boatilities were

inadequate for contained economic and military traffic. Lacking indigenous capability, the Viet High relied on Communist China to provide a railway engineering group to supervise technical aspects of the project. My inobilled labor was the principal contribution of the Viet High, and large numbers of passance were recruited or conscripted from far and sear. At one time 100,000 workers were reported to be engaged in construction between Senal and Res cass. 2/

limity restoration of the line to neter-gauge to	o obtain the binefits of its
utilization as quickly as possible was completed in	Potentry 1955, 10/ but 25X
the need for additional improvements has limited its	s full use.
	In August 1995, the

Henci-New Twon line was officially opened for through international traffic, although it was being used for this purpose well before. 12/

25X1

25X1

heconstruction of the 296-kilometer meter-gauge realrand from Hanch to

image that the upper had hiver area, which was undertaken in Hanch 1955, 13/

was originally scheduled for completion during that year. 11/ Dismantled and

weed as a road for supplied from Communist China during hostilities, 15/ the line

had to be restored almost in its entirety. Progress was slower than anticipated,

mainly because of equipment and natural shortages and bridging difficulties.

By the end of April 1956, however, with the mid of some 80,000 Victorieses

laborers directed by Chinasa Communist technical cadres, the line's readled

A Delega	- 0004/00/47	OLA DEBTOOM	40000000450000	_
Approved For Releas	e zuu4/u3/1/ :	CIA-KDM/8502	149KUUUZUU 15UUUZ	-1

25	V .1	
20	Δ	

and track had been restored.

B. Highway

The highway system of Morth Victora originally comprised some 12,500 kilmeeters of main and secondary roads, of which about two-fifths were weable only in dry scapens. During the war, when the road not was heavily damaged, only a few routes of military importunes were maintained. Reconstruction following the hostilities, however, had rectored approximately 6.300 kiloseters of reads to meable condition by October 1955. 17/ Credit for this soldovement must also be shared with Communist Chins, which provided Lizated though necessary road-building sachinery, natorials, and petrolous products used by thousands of Viet Kinh leborers engaged in construction. 18/

fligh priority was given to recommunities of the empt-west route from Ranci mertaned to bei them. Accompanied by the metablishment of military depote along the Northern Laction frontier, this rout is vell-suited for supply of Pathet Lao forces attempting to maintain military control of the morthern provinces of Phong Saly and San Hous in Lane. Hejor attention was elso devoted to the coastal road south to Vinh Linh, as well as to the routes from Nam Quen and Cao Deng on the Chinese Communist horder to the Delta area, which were issuediately necessary to facilitate the receipt of

Lucco	Consumies	atit.	70/	25X1
Accession of the sale	A. or its manager to train the Ma	SAME A	20	
				25X1

5X1

0. Mater

Water transport apparently has required only regligible attention in the Approved For Release 2004/03/17 : CIA-RDP78S02149R000200150002-1

the rembilitation program, because the facilities acquired by the Viet mich after the hostilities were in researchly adequate condition and capable of limited was with small improvement. Hiver transport was almost completely replaced by the Franch, according to the Viet Minh, but Chinese Communist aid permitted limited traffic by the end of 1955. 21/ Efforts probably were confined to cleaving impediments to navigation and maintaining channel depths in the Red and Claire rivers, the principal waterways of the country. Betther materway is important for Sino-Viet Minh trade, however, because of shallow depths in their appear reaches, although they provide a necessary moses of local distribution in the delta area.

By far the most important price in water transport cained by the Viet Mich was Beighoug, the port of Hanoi. Its acquisition in May 1955 provided a valuable supplement to overland international connections, and for the first time parmitted direct foreign trade with countries other than Communist China. As a result, the economic dependence of Borth Vietnam on its northern neighbor and the complete relience on trans-horder road and rail facilities were appreciably reduced.

barbor craft, Beiphong was soon reactivated with the aprintance of Communications. 22/ In June shipping began to serive at the part carrying naterial aid from the Soviet bloc. Up to the beginning of April 1956 Emighons had received some 106,000 tens of cargo from the USER and Buropeen Satellites, including assembles sulphate, mechinery, motor vehicles and spare parts.

iron and steel, and patroleus products. It had also imported 150,000 tons of rice acquired by the USSS under a trade approximate with Burns and denoted to the Vict Minh in an attempt to allowints the food shortege in Borth Victims. 21/ Exports from Halphons, so well as other parts of

25X1

North Victmen, have been negligible,

25X1

The volume of coastel traffic between Forth Vietnes and China apparently has been of exconiary importance.

Halphong has been able with few improvements to handle the limited traffic required thus far. Hegheat of equipment and facilities during the war and countent rapid silting in its approaches, however, have limited the port's capacity and may prove a carious deterent to its more effective use in the mear future. Until recently only one dredge, of considerable age and debicus efficiency was available, but it was methle to maintain depths sufficient for the previous maximum paraiseible vessed draft of 23 feet.

25X1

Maintenance and improvement efforts are being undertaken, however, to prevent conditions at Maintenant from becausing intolorable as foreign trade is etimilated by increased production of coal, commit and other traditionally experted consodition which will provide necessary sources of foreign exchange

for imports of eachinery and tools so body moded for economic recovery. Place for 1956 include "roinforcement of the port, 27/ but the extent to which this effort will meet requirements cannot be judged.

In the latter part of March 1956 a Soviet dredge arrived in Maiphong. 28/
Since its arrival, the dredge which has a capacity to remove 2,000 cubic meters
of rad per hour, has been occupied in deepening the approaches to Maiphong
harbor. 29/ Its efficacy in relation to the fast eliting rate cannot be
judged, but its use will certainly improves the situation. Moreover, the other
dredges are so order from Malland and the USAS.

Further relief of halphong's facilities say be expected by improvement of the port of Sen Thuy, where considerable effort has been devoted to building covered wooden piers for Liberty-type vessels. 20/ Its "reinforcement" is also planned in 1956. Accompanied by planned extension of the coastal reilrand to neighboring Vish and a branch line to the part, the use of Son They for occas-going chips will if necessary permit diversion of some scaborum traffic from Baiphong.

D. Civil Air

Until recently the Viet High were solely dependent for civil air transport
on services established by Folend to provide transportation for its delegation
to the International Control Cosmission (ECC). On 15 December 1955, however,
the creation of a civil sylution administration was announced by the Viet
Ninh, 11/ and in January the first of five aircraft on order from China

25X1

arrived in North Victorian, 2/

25X1

25X1

Retablishment of civil air pervice in Earth Vietnes is

due to large part to societance from Communist China which provided the

technical knowledge as well as the installations and appearatus for resolvation 25X1

of civil sirports and estearlogical observation stations. 26/

II. Prospects and Replications

The Viet Minh plan in 1956 to rectore should 320 kilometers of reilroads, including the Besof-iso Eny line which was completed in April and a further stretch of the constal route to the essenteenth perallal, probably as far as Vinh. Benturation of the highest system to its original status can also be expected during 1956, when the Viet Minh plan to rehabilitate another 1,500 kilometers of duraged road. 26/ Economically, therefore, the essential basis for recovery will have been laid; strategically, Viet Minh logistic capability from the borders of Communist China and to Bouth Vietness and Laos will be onhanced impression.

A. Formatie

The successe of Viet Minh efforts in restoring transport services is reflected in plans for asjor increases in freight carried by rail, reed and water transport, which are to perform a total of 291 million too-kilometers (TRM) in 1956. []/ The breakdown of the 1956 target figure between the various carriers — rail 12) million TRM, water 137 million TRM and highway 31 million TRM — indicates that rail and water transport are resuming their former deminent positions. Noter transport, on the other hand, will be used in its

traditional role as a means of local distribution, rather than for long-hand carriage required during and issediately following the war when rathroads were inoperable.

Plans to increese performance will depend in large part on the evallability of sufficient freight-carrying units, which in turn is a function of both quantity and serviceability. The growing dependence on rail and mater transport should penalt more rational utilization of a large part of the motor vehicle park, estimated to total about 3,000 tracks obtained largely from Communist China during and after the war. However, rail transport equipment left by the French, the bulk of that now available to the Viet Mich, is old 25 and precedy requires frequent maintenance. Communist China has empensated to some extent for inventory deficiencies by providing some relling stack and mative power, 22 but there are indications that the Viet Mich are having difficulty meeting demands with the 70 locanotives and 1,100 freight care currently available. 12 Moreover, capability to maintain and repair equipment, while closely increasing, is still severily limited. Small craft inventory probably is similarly limited because of

branch resonate,									
	In	Afon	20	these	Indiations	aixi	the	Mentilood	of

timir oppravation by the sub-standard character of rail and highway restoration, plans to increase transport performance may be difficult to fulfill, despite the continued receipt of aid from Communist China.

25X1

Hevertheless, the magnitude of planned performance suggests the extent
of economic rehabilitation envisioned through 1956. Appreciable progress
is illustrated by the favorable comparison between planned rail ton-kilometer.
in relation to track density and population in North Vietness and similar
indices for neighboring countries of like occumule setting. For excepts,
in 1952 rail transport ton-kilometers in humas, with appreximately the
came rail density but almost twice the population of North Vietness, was
only double the rail performance planned by the Viet Minh. Malayan rail
transport performance in 1952 was three times planned rail ton-kilometers
in North Vietness for 1956, but the difference in track density was of
similar magnitude. 13/

8. Strategic

Equally important, in potential at least, are the strategic implications of transport rehabilitation. The Nam Quan rail line, already of proven economic significance, provides the essential link required by the modernized Viot Minh army for logistic support from the north. Its conversion to standard gauge (h*6½*), apparently planned for early 1956, will further increase its potential military importance. Progress is expected to be secondart planet than antisipated, however, because several difficult sections require realignment and possibly the construction of new parts and stations.

The Nam Completed, probably about mid-year, it will appreciably augment capacity of the line,

Pingfleng change-of-gange point in the border area. 15/ Horsover, Chinese Communicat rolling stock thereafter can be operated as far south as Banal, thereby releasing scarce moter-gauge equipment in North Victums for use elecatere in the country. Fermitting on extension of the Chinese Communist reil system into North Vistues, however, escunts to a concession of Vist Minh severeignity to a country whose notives traditionally have been visued with sumplain by Vistanceso.

Contemplated savings in rolling stock may have influenced the timing of conversion of the Ham Quan Line, which apparently will be finished about the time the meter-gauge rail line between Hanci and Lee May is entirely operable. Completion of the Lao Key line will certainly facilitate distribution and development in the Red River area. It may well be of greater adventage to Communist China, however, when plans are fulfilled to restors the partially dismentled 177-kilometer connection to Kunsing in 1996. 16 Basically, it will facilitate the exploitation of Southwest Chine's mineral resources, which then can be transchipped through Maiphong instead of being healed long distences overland by truck and inland waterway to constraing and export centers in China. Accompanied by realisation of plans to link Kurming directly with the Chinese rail net at Changking, it could eventually provide the developing industrial areas of central-west China with account to the sea through Heiphons, the southernmost as jor Communist port.

25X1

Transport rehabilitation will also improve logistic capabilities to support Vist Minh elements in the south. Continuation of the rail line south along the coast from Ham Dinh will increase Vist Minh capability to support subversive elements in South Vistama. Accompanied by restoration of the trunk roads to led Chau and Vinh Linh, LIV it will facilitate the movement of troops and supplies toward the seventeenth parallel, as well as toward the lastian frontier, in the event of a renewal of hostilities in either area.

Appendix A

Sapa in Intelligence

intelligence coverage on transportation in North Vietnes is generally elequate for the purpose of this paper, although perhaps too greatly weighted by unconvolvented Vist Kinh amouncements. The next urgent cap, which will become more important as transportation recovers and developes, is the lack of sufficient data to support judgements on the adequacy of transport services to meet demands from verious sectors of the economic.

In the absence of direct statements on overall sufficiency of the various nodes of transportation, facts are required on the performance of various carriers and the extent of equipment utilization, which can be besed on such factors as everage tens hauled per unit of inventory, average distance freight is carried, as well as turnaround time and its various components. These factors, however, can be interpreted only in the light of other critical factors such as investment in the transport sector, total available freight-carrying inventory and the volume of production in various other sectors of the economy.

Next 2 Page(s) In Document Exempt

Approved For Release 2004/03/17 : CIA-RDP78S02149R000200150002-1

THIS FILE HAS BEEN CHARGED TO YOU 25X1A

